

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE  
Transcriber's Office  
FLOOR DEBATE

March 9, 2005

LB 44, 306A

question who care to? Record please, Mr. Clerk.

CLERK: 27 ayes, 0 nays, Mr. President, on the advancement of LB 306A.

SENATOR CUDABACK: LB 306A advances. We now go to General File, 2005 senator priority bills. Mr. Clerk, LB 44.

CLERK: Mr. President, LB 44, introduced by Senator Redfield, relates to revenue and taxation. It changes income tax deductions and creates a homestead exemption. Bill was introduced on January 6 of this year, referred to the Revenue Committee for public hearing, advanced to General File. I do have committee amendments pending. The bill was discussed briefly, Mr. President, on March 2. (AM0248, Legislative Journal page 440.)

SENATOR CUDABACK: Thank you, Mr. Clerk. Senator Redfield, would you give us a quick review of the...what...

SENATOR REDFIELD: Thank you, Mr. President, members of the body. I'd be happy to. LB 44, in the green copy, provides a \$6,000 homestead exemption to property tax owners who reside in their own home in Nebraska. There is a pending committee amendment, and an amendment to that amendment. Thank you.

SENATOR CUDABACK: Thank you, Senator Redfield. Senator Landis, would you give us a update or review on the committee amendments to LB 44.

SENATOR LANDIS: Thank you, Senator Cudaback. The committee amendments decrease the homestead exemption from six to five...from \$6,000 to \$5,500, and delay the income tax add-back of mortgage interest until tax year 2007. This delay serves to match the income tax increase for the same year that property tax reductions would be realized by taxpayers. The homestead exemption for 2006 would reduce taxes paid the following year, thus, matching the income tax change in the amendment. The reduction in the homestead exemption to be adopted by the committee amendment would almost exactly balance the state revenue increase due to the disallowance of mortgage interest as